

EXHIBIT C

III. General Terms and Conditions

A. Rate and City Adjustment Requests

1. Rate Adjustment Requests

Vendors may, at their own option, request a rate adjustment (either a higher rate or a lower rate) for any cities for which they have a price agreement/BOA. The rate adjustment request must identify the specific cities/states affected and for which specific rates (vehicle classification/daily, weekly and/or monthly rates, etc.) adjustments are being requested. Vendors may submit a request for a price decrease at any time. However, the State will consider price increase requests only once per quarter. For purposes of this BOA, quarters are defined by the following schedule:

January 1 – March 31

April 1 – June 30

July 1 – September 30

October 1 – December 31

Price increase requests must be made in writing and received by the State Purchasing Office no later than thirty (30) calendar days prior to the end of the then current quarter.

In reviewing any proposed price increase request, the State, at its own option, reserves the right to utilize independent third party sources such as Consumer or Producer Price Indices to make a determination. The State will review the request and, at its sole option, may accept, negotiate or reject the proposed adjustment. The State will make requested price adjustments if the proposed pricing is fair and reasonable. However, vendors should be aware that the State may cancel price agreements/BOAs if pricing does not remain competitive or may encourage travelers to use lower priced price agreements/BOAs in certain markets.

2. City Adjustment Requests

Vendors may, at their own option, submit a written request for cities to be added or removed from their price agreement/BOA. A request to remove a city from the price agreement/BOA must be submitted in writing to the State Purchasing Office no more than sixty (60) calendar days prior to the end of the then current quarter. A request to add a city to the price agreement/BOA must be submitted in writing to the State Purchasing Office no more than thirty (30) calendar days prior to the end of the then current quarter. The request must include the rates for all classifications of vehicles for which service will be provided at the requested city location. The rates offered must be fair and reasonable. The State will be the sole judge as to what constitutes fair and reasonable pricing. The State, at its own option, may choose to accept, reject or negotiate a rate for any city that the vendor would like to add to the price agreement/BOA.

B. Vendor Terms and Conditions/Forms

Vendors may submit supplemental terms and conditions and/or use separate with their offer. The State has the sole discretion to accept any supplemental terms and conditions and/or vendor forms.

The State will not accept any vendor terms that conflict or are otherwise inconsistent with these terms and conditions of the price agreement/BOA. Neither the State nor any of the State's authorized travelers will be bound by any agreements that contain such conflicting language regardless of the execution of such agreement by the traveler or cardholder. **For example, the State will not indemnify, defend, or hold harmless any vendor.**

The vendor will accept the State of Colorado "Comprehensive Annual Financial Report" (CAFR) to satisfy any credit application or financial reporting requirements. The CAFR may viewed on the Internet at the following web address: <http://www.colorado.gov/dpa/dfp/sco/cafr/cafr.htm>

Vendor Response Box – Section III., B. Vendor Terms and Conditions/Forms

1. Affirm your understanding of, and compliance with, these requirements.

Response: Yes, Budget understands and complies with requirements in this section.

2. Has your company submitted supplemental terms and conditions and/or separate forms? If so, provide the header or name of each form submitted.

Response: No, Budget has not submitted supplemental terms and conditions.

C. Political Subdivisions

Political subdivisions are defined as every county, city and county, city, town, school district, special district and housing authority within the State of Colorado. Many political subdivisions use the current State authorized Travel Card contract with US Bank VISA. Only political subdivisions of the State of Colorado who have signed a Participating Affiliate Addendum with State Travel Management are eligible to rent automobiles under the terms and conditions of any resultant price agreements from this BOA. Vendors awarded a price agreement under this BOA will extend the same price agreement terms and conditions to any political subdivisions that have signed this Addendum with the State.

All cards utilized by political subdivisions will parallel cards used by state employees in the respect that the words "State of Colorado" and the State seal are printed in the upper right corner of the card. Individual liability cards are further identified with the cardholder name, the political subdivision name and all account numbers, dates and codes impact printed on the card. Event Cards (corporate liability), however, are only identified with the cardholder name, the words "TAX EXEMPT", followed by the political subdivision's tax exempt number and all account numbers, dates and codes impact printed on the card. The Event Card will not on its face indicate or identify the card as being affiliated with a political subdivision.

Credit application requirements for political subdivisions and payment of all amounts due must be fulfilled by the political subdivision and not by the State of Colorado.

Total purchase volume through the Travel Card from political subdivisions for the period of 1/1/2002 through 12/31/2002 was \$36,482.53 with a total of 203 rentals during the same period of time.

Vendor Response Box - Section III., C. Political Subdivisions

1. Affirm your understanding of, and compliance with, these requirements.

Response: Yes, Budget understands and complies with the requirements in this section.

D. Cardholder Compliance

The State of Colorado has mandated use of its authorized travel cards for automobile rentals. Compliance with these rules in the past has reached approximately 50 percent of all usage. In Fiscal Year 2002-2003, total automobile rental activity on the Diners Club system charge card was \$1,731,325.

E. No Guarantee of Volume

The State of Colorado makes *no* guarantee of volume. The estimates of volume and the usage of the Travel Card for automobile rentals in no way guarantee that an equal or a greater volume will be charged in the future.

F. Mandatory Contract

The State will make its arrangements with automobile rental vendors through mandatory statewide price agreements resulting from these BOAs. It is incumbent upon State renters to use these mandatory price agreements unless the price agreement vendor(s) cannot provide the required service. From time to time, extraordinary circumstances may exist in which the State, or any of its agencies, may need to rent a vehicle or vehicles from an automobile rental provider that is not under State price agreement/BOA.

G. Enforcement of State Rules

Each executive director of a principal department of state government is required by Executive Order D 005 03 to designate an individual to be responsible for overseeing compliance and enforcement of travel related rules and policies. The assigned individual is referred to as the "Travel Compliance Designee". The State cannot guarantee that every State renter and every agency will adhere to the State's Fiscal and Travel Rules. However, Executive Order D 005 03 will significantly increase card use compliance and improve travel oversight.

The Department of Personnel & Administration or its designee(s) will continue to educate Travel Compliance Designees, Controllers, and Purchasing Agents within all State agencies and institutions of higher education regarding the applicability of these rules as the rules affect any price agreements resulting from this BOA. In addition, the State will actively engage the cooperation of its risk management offices and state Travel Compliance Designees in reinforcing the use of the state price agreement/BOA vendors. The State anticipates considerably greater enforcement of the use of the new state Travel Card that will in turn increase the compliance with automobile rental agreements.

H. Direct Billing Waivers

Owing to risk considerations with regard to liability coverage, any automobile rental provider must obtain a waiver from the State Travel Program prior to establishing a direct bill with any state agency or institution of higher education.

Vendor Response Box - Section III., H. Direct Billing Waivers

1. Affirm your understanding of, and compliance with, these requirements.

Response: Yes, Budget understands and complies with requirements in this section.

I. Information Dissemination and Contract Implementation

The Department of Personnel and Administration or its designee(s) will inform all State agencies and institutions of higher education of any price agreements that result from this BOA. Further, the State will regularly inform travel agencies servicing the State of such price agreements/BOA.

The State of Colorado also uses its Web site to provide access to automobile rental information and to inform its travelers of its mandatory automobile rental services vendors.

J. Promotional or Meeting-Related Rates (for official State travel) — Inclusion of Renter's Liability Insurance

The State's primary purpose in entering into this BOA is to save travel dollars. Should a vendor offer a promotional or meeting-related rate for official State travel that is lower than the rates provided through price agreements resulting from this BOA, the promotional or meeting-related rate shall include all insurance coverages as required and described in this agreement.

Vendor Response Box - Section III., J. Promotional or Meeting-Related Rates (for official State travel) — Inclusion of Renter's Liability Insurance

1. Affirm your understanding of, and compliance with, these requirements.

Response: Yes, Budget understands and complies with the requirements in this section. As long as State travelers are on official business and using the State of Colorado issued Budget Corporate Discount (BCD), they can take advantage of any promotional/meeting rates offered and still get full program benefits, including full insurance coverages as required by the State.

K. Frequent Flyer or Incentive Fees

It is mandatory that any frequent flyer or incentive fees be blocked. The State of Colorado will not pay fees for State travelers to obtain frequent flyer miles or other incentives.

Vendor Response Box - Section III., K. Frequent Flyer Reimbursement Fees

1. Affirm that your company understands, and complies with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section. Budget does not charge for any frequent flyer or incentive fees.

L. Leisure Usage of Contract

The State now prohibits the use of the Travel Card for personal or leisure travel. Nonetheless, the State does allow vendors to extend specific prices and rates to State employees for personal or leisure use

M. Marketing to State Users

The State provides monthly training events and vendors are invited, with pre-approval from the State Travel Management Program, to market to State agencies as a part of these events.

N. Insurance Refunds - Administrative/Recovery Fee

Vendors shall not sell separate insurance to State travelers. In the event that a vendor does sell insurance to a State traveler, the vendor shall refund the full amount of the insurance premium sold back to the respective cardholder account to which it was charged. In addition, the vendor agrees to pay a \$30.00 "administrative/recovery" fee to the Department of Personnel & Administration on a per rental basis.

Vendor Response Box - Section III., N. Insurance Refunds - Administrative/Recovery Fee

1. Affirm your understanding of, and compliance with, these requirements.

Response: We understand the requirements, however, we have a concern on refusing to provide coverage to a State travelers at their request, when it is possible that the rental could be used for personal use. We will work with the State on a case-by-case basis in the event that this occurs.

IV. Insurance Requirements

The State requires specific, minimum levels of insurance coverage for its travelers under the automobile rental price agreement/BOA program. These minimum coverages are described below.

The vendor must have or obtain the following types of general business insurance --

A. Commercial General Liability, Worker's Compensation, and Automobile Liability in accordance with the following language, specifically:

1. The vendor shall obtain, and maintain at all times during the term of this contract, insurance in the following kinds and amounts:

a. **Standard Workers' Compensation and Employer Liability** as required by state statute, including occupational disease, covering all employees on or off the work site, acting within the course and scope of their employment.

b. **Commercial General Liability and Automobile Liability** - (including bodily injury, personal injury and property damage) with the following minimum coverage, depending on the policy format:

(1). **Occurrence** basis policy - combined single limit of \$600,000.

(2). **Annual Aggregate** limit policy - not less than \$1,000,000 plus agreement that vendor will purchase additional insurance to replenish the limit to \$1,000,000 if claims reduce the annual aggregate below \$600,000.

c. Vendor shall provide such other insurance as may be required by law, or in this specific BOA.

2. The State of Colorado shall be named as an **additional insured** on all liability policies.

3. The insurance shall include a provision preventing cancellation without 45-calendar days prior written notice to the State by certified mail.

4. Vendor shall provide the following documentation to the State within seven (7) working days of a request therefore, unless otherwise provided:

a. **Certificate(s)** of adequate insurance coverage, each with a reference to the State being named as an additional insured,

OR

b. **Certificate(s)** of adequate insurance coverage and an **endorsement(s)** of additional insured coverage.

5. Vendor agrees to provide to the State all information required by CRS 10-4-716 and following or as amended and as it may apply during the term of any awarded price agreement/BOA.

Vendor Response Box - Section IV., A. Commercial General Liability, Worker's Compensation, and Automobile Liability

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

B. Insurance -- Renter/Driver Liability

The State requires renter/driver automobile liability insurance as described below. The vendor shall have or obtain the following type of insurance that will extend coverage to renters of vehicles provided by the vendor:

1. The vendor shall provide automobile liability insurance affording coverage to the State of Colorado and its approved drivers for the use of vendor provided vehicles. The insurance shall be in the *minimum* amount of \$600,000 combined single limit on an occurrence basis. Vendor shall provide a certificate of insurance in the required amounts showing the State of Colorado as Additional Insured.

Combined Official and Leisure/Personal rentals: The State of Colorado Fiscal Rules recognize that the purpose of travel may not be solely for state business. Rental car vendors are to make the renter/driver liability applicable for the entire rental in the case of combined official business and leisure use, or they are to provide a process at the time of rental that will allow a reasonable allocation of personal and official business costs and renter/driver liability insurance coverage.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #1**

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #1.**

Response: Yes, Budget understands and complies with the requirements in this section. Please note, that although the locations listed in Exhibit C do not comply with the State's \$600,000 Combined Single Limit minimum coverage requirement, Budget will indemnify its US licensee locations listed in Exhibit C in the amount of \$150,000 Combined Single Limit (the State's current minimum requirement). Please see note on bottom of Exhibit C for international location coverages.

- 2. The vendor shall allow additional drivers who are on official state business at no cost.**

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #2**

- 1. Provide a description of how your company will permit additional drivers who are on official state business (additional paperwork, signatures, restrictions, etc.). Affirm that such additional drives will be allowed at no cost.**

Response: Yes, Budget understands and complies with the requirements in this section. There is no charge for additional drivers if the rental is being charged at the CorpRate rate. The following additional drivers may be added to the vehicle rented while the renter is engaged in customer's business: renter's spouse, renter's co-worker while engaged in customer's business, people valet parking the vehicle at commercial establishments, and people as necessary during an emergency.

- 3. If a rental vehicle is obtained by a state traveler for official state business through a frequent traveler bonus points program or other incentives, describe if, and how, the terms and conditions of this agreement, including minimum required insurance coverages, will apply.**

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #3**

- 1. If a rental vehicle is obtained by a state traveler for official state business through a frequent traveler bonus points program or other incentives, describe if, and how, the terms and conditions of this agreement, including minimum required insurance coverages, will apply.**

Response: Terms and conditions of this agreement, including minimum required insurance coverage, will be applicable to all rentals at participating locations provided that the rental is booked under the State of Colorado Corporate Discount #(BCD #) and utilized for business purposes only.

4. The State of Colorado shall be named as an **additional insured** on all liability policies.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #4**

1. **Affirm your understanding of, and compliance with, all of the requirements listed in Item #4.**

Response: Yes, Budget understands and complies with the requirements in this section.

5. The vendor must create, maintain, and report monthly to the Statewide Travel Management Program, the State of Colorado Risk Management program and to the University of Colorado Office of Risk Management all case reserves exceeding \$75,000 as detailed in this BOA. Vendor must report within 24 hours if possible, and not longer than 72 hours, any accident involving State of Colorado employees using the State contract that, in the estimation of the vendor claims adjuster, might entail liability exposure of \$75,000 or more or in the case of serious bodily injury or death. Vendor must file monthly updates on claims as responses to State request for defense attorney/adjuster evaluations of exposure.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #5**

1. **Affirm your understanding of, and compliance with, all of the requirements listed in Item #5.**

Response: Yes, Budget understands and complies with the requirements in this section. Budget will make every attempt to contact the State within 72 hours regarding case reserves exceeding \$75,000.

6. Vendor may, at its option, transfer all program claims adjusting that involve University of Colorado employees using State price agreement/BOA to the University of Colorado with indemnification for the first \$150,000 in cost for each claim if the vendor is proposing to furnish within the minimum required \$150,000 in third party liability insurance or any amount less than \$600,000.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #6**

1. **Affirm your understanding of, and compliance with, all of the requirements listed in Item #6.**

Response: Yes, Budget understands and complies with the requirements in this section.

7. The vendor shall report, as a part of their response to this BOA, any corporate practices or policies of transferring driver/renter automobile liability to the renter/driver or the renter/driver's employer under any circumstances irrespective of whether the type of vehicle or circumstances of such transferring of liability is contemplated by the vendor under the terms of the offer made to the State. Such reporting is to include a statement of the policy or practice and the enumeration of the conditions under which such transferring of liability is sought or achieved. The State seeks this information as a result of its long history of administering automobile rental agreements. With 20,000 travelers per year representing over 120 State agencies and institutions, some travelers may encounter a vendor document and be unaware of its intention or the personal jeopardy involved in signing such a document if it were offered.

To forestall such occurrence, the State seeks full disclosure of any vendor's corporate practice or policy of transferring automobile/rental vehicle liability to the renter or the renter's employer. If such policy or practice involves vehicles commonly or occasionally rented to the public and by State of Colorado travelers but withheld from being offered by the vendor in its response, such withholding of service in the offer will be grounds for declaring the vendor's offer as unacceptable. Vendor shall not, under any circumstances, require or induce State renters or those eligible to use this price agreement/BOA to sign insurance certificates of endorsement that shift the liability to the renter or to the State of Colorado or any other entity other than the vendor.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #7**

1. **Report and disclose any corporate practices or policies that fit any of the conditions and circumstances listed in Item #7.**

Response: Yes, Budget understands and complies with the requirements in this section.

8. The insurance shall include a provision preventing cancellation without forty-five (45) calendar days prior written notice to the State by certified mail.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #8**

1. **Affirm your understanding of, and compliance with, all of the requirements listed in Item #8.**

Response: Yes, Budget understands and complies with the requirements in this section.

9. Vendor shall provide the following documentation to the State within seven (7) working days of a request therefore, unless otherwise provided:

- a. **Certificate(s)** of adequate insurance coverage, each with a reference to the State being named as an additional insured,

OR

- b. **Certificate(s)** of adequate insurance coverage and an **endorsement(s)** of additional insured coverage.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #9**

1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #9.

Response: Yes, Budget understands and complies with the requirements in this section.

10. The State will not agree to waive any liability provisions for group rentals.

**Vendor Response Box, Section IV., B. Insurance -- Renter/Driver Liability,
Item #10**

1. Affirm your understanding of, and compliance with, all of the requirements listed in Item #10.

Response: Yes, Budget understands and complies with the requirements in this section.

C. Vendor Obligations regarding Third Party Liability Claims

Regarding any liability claim, the State requires:

1. In adjusting any claim, no vendor shall incur obligations or commit monies exceeding the combined single occurrence limit offered by the vendor in response to this BOA;
2. Vendor shall share case investigation and evaluation materials for any claim if requested by the State;
3. Vendor shall adjust all claims with payment and reserves of \$75,000 or more in consultation with the relevant State risk management office.

**Vendor Response Box, Section IV., C. Vendor Obligations regarding Third Party Liability
Claims**

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

V. Management Information and Accident Reports

A. General

The vendor must provide the management information reports normally supplied to a corporate client as well as ad hoc reports upon request. Vendors must provide samples of standard reports that include the following report capabilities:

- number of rentals per location
- class of automobiles rented
- average number of days of rental
- dollar volumes, forms of payment
- types of insurance purchased if any
- fuel options selected by renter
- other related data and percentages at each location showing activity
- charges for upgrades in service

Vendor Response Box, Section V., A. General

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

Response: Yes, Budget understands the requirements in this section. Please note that insurance and fuel information can be provided in total dollars spent format, but not broken down by renter.

- 2. Affirm that you have included samples of standard reports that fulfill all of the report capabilities listed above. List the titles of the standard reports submitted with your offer.**

Response: Yes, Budget has included samples of its standard reports that fulfill most of the report requirements listed above. Please see Tab 5 for the following reports:

- Budget All Stores Report
- Account Activity by Location - 10
- Contact Summary by Location - 11

B. Monthly Accident Reports to Program and to Risk Management Offices Required

The State requires the vendor to provide monthly accident reports, to be submitted to the State of Colorado promptly but in any event no later than within thirty (30) calendar days after the end of each month. The vendor must furnish these monthly accident reports to the Statewide Travel Management Program, the State of Colorado Risk Management Program within the Department of Personnel and Administration and parallel accident reports to the University Risk Management office within the University of Colorado.

These accident reports shall show:

- name of the vendor
- vendor award number/contract number or name of account—State of Colorado
- name, address, telephone number, fax number and e-mail address, if any, of vendor

- insurance contact
- the name of driver and age
- rental agreement number
- name(s) of passenger(s)/claimant(s)
- law enforcement agency and report number (if available)
- full charging number of the State Travel Card or account on which rental was charged
- date of the accident/loss
- claim number
- brief fact description
- type of coverage pertaining to loss
- physical damage dollar amount
- liability payment amount on each claim
- liability reserves amount on each claim, if any—information presented proprietary, not a public record
- pending claims—information presented proprietary, not a public record
- form of payment for automobile rental if available

If a vendor is unable to provide a report or reports that include each of the above capabilities, then the vendor must explain how this information can be submitted to satisfy the needs of the State of Colorado. The State shall be the sole judge as to the acceptability of reports offered. These reports can be divided into two or more reports--physical damage reports, liability reports, and additional or ad hoc reports to satisfy the above requirements. Vendor will provide reports to Statewide Travel Management Program, the State Risk Management office, and University of Colorado Risk Management office. The State will provide addresses to vendors upon award.

Vendor Response Box, Section V., B. Monthly Accident Reports to Program and to Risk Management Offices Required

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

Response: Yes, Budget understands the requirements in this section.

- 2. Affirm that you have included samples of standard reports that fulfill all of the report capabilities listed above. List the titles of the standard reports submitted with your offer.**

Response: Although currently budget report capability is limited, Budget will be implementing a new claim system in the near future. We cannot confirm the new claim systems reporting capabilities at this time. *PLEASE SEE TAB 5 - DAMAGE REPORT.*

- 3. If your company is unable to provide a report or reports that include each of the above capabilities, then you must explain how this information can be submitted to satisfy the needs of the State of Colorado. The State shall be the sole judge as to the acceptability of reports offered. These reports can be divided into two or more reports--physical damage reports, liability reports, and additional or ad hoc reports to satisfy the above requirements.**

Response: Should the State require further detail, we will work with the State on an ad-hoc basis to provide requested information.

C. Exception Accident Reporting –Any \$75,000 Liability Exposure Reported Within 24 Hours If Possible

As described and required in “Section IV. B Insurance - Renter/Driver Liability”, the vendor must create, maintain, and report monthly to the Statewide Travel Management Program, the State of Colorado Risk Management program and to the University of Colorado Office of Risk Management all case reserves exceeding \$75,000.

Such reports must include:

- name of the vendor
- vendor award number/contract number or name of account—State of Colorado
- name, address, telephone number, fax number and e-mail address, if any, of vendor insurance contact
- the name of driver and age
- rental agreement number
- name(s) of passenger(s)/claimant(s)
- date of the accident/loss
- claim number
- full charging number of the State Travel Card or account on which rental was charged
- brief fact description
- description of injuries and attorney involvement and whether the incident is in suit
- type of coverage pertaining to loss
- physical damage dollar amount
- liability payment amount on each claim
- liability reserves amount on each claim, if any—information presented protected, not a public record
- form of payment of the automobile rental

This exception reporting will reduce the amount of reporting required by the State. The State relies upon vendor claims adjusters to make faithful and timely reports but reserves the right to require the reporting of all accidents within three (3) working days or less if, in its own determination, it cannot rely on this process of exception accident liability reporting.

Vendor Response Box, Section V., C. Exception Accident Reporting –Any \$75,000 Liability Exposure Reported Within 24 Hours If Possible	
1.	Affirm your understanding of, and compliance with, all of the requirements listed in this section.
	Response: Yes, Budget understands the requirements in this section.
2.	Affirm that you have included samples of standard reports that fulfill all of the report capabilities listed above. List the titles of the standard reports submitted with your offer.
	Response: Although currently budget report capability is limited, Budget will be implementing a new claim system in the near future. We cannot confirm the new claim systems reporting capabilities at this time. <i>PLEASE SEE TAB 5 - DAMAGE REPORT</i>

3. If your company is unable to provide a report or reports that include each of the above capabilities, then you must explain how this information can be submitted to satisfy the needs of the State of Colorado. The State shall be the sole judge as to the acceptability of reports offered. These reports can be divided into two or more reports--physical damage reports, liability reports, and additional or ad hoc reports to satisfy the above requirements.

Response: Should the State require further detail, we will work with the State on an ad-hoc basis to provide requested information.

D. Collision Damage Waiver Purchase/Insurance Purchase Reporting

The State has elsewhere in this BOA prohibited the sale of collision damage waiver coverage to State employees when they use their Travel Cards to rent automobiles. The State also has elsewhere required vendors to establish a link to U.S. Bank. To confirm that these measures are reducing or eliminating unnecessary travel costs, the Statewide Travel Management Program requires monthly reporting of State travelers who purchase collision damage waiver coverage and all other types of insurance offered to the public.

The reports are to include the following:

- name of the vendor
- vendor award number/contract number or name of account—State of Colorado
- the name of driver and age if available
- identification of CDW or other insurance purchase and total cost of purchase
- number of days of rental
- rental agreement number
- form of payment

Vendor Response Box, Section V., D. Collision Damage Waiver Purchase/Insurance Purchase Reporting

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Yes, Budget understands the requirements in this section.

2. Affirm that you have included samples of standard reports that fulfill all of the report capabilities listed above. List the titles of the standard reports submitted with your offer.

Response: Although currently budget report capability is limited, Budget will be implementing a new claim system in the near future. We cannot confirm the new claim systems reporting capabilities at this time. *Please see Tab 5 - Damage Report*

3. If your company is unable to provide a report or reports that include each of the above capabilities, then you must explain how this information can be submitted to satisfy the needs of the State of Colorado. The State shall be the sole judge as to the acceptability of reports offered. These reports can be divided into two or more reports--physical damage reports, liability reports, and additional or ad hoc reports to satisfy the above requirements.

Response: Should the State require further detail, we will work with the State on an ad-hoc basis to provide requested information.

VI. Damage Waivers

A. 15 Passenger Vans, Cargo Vans, Pickup Trucks

The vendor shall provide collision damage waiver coverage as a part of the state rate on 15 passenger vans, cargo vans, and pickup trucks. The vendor will not require any additional signatures or agreements to provide this coverage.

Vendor Response Box, Section VI., A. 15 Passenger Vans, Cargo Vans, Pickup Trucks

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Budget does not provide 15 Passenger Vans or Cargo Vans. Budget does provide Pickup Trucks. Budget will provide collision damage waiver coverage for Pickup Trucks and will not require any additional signatures or agreements to provide this coverage.

B. Exclusion of Collision Damage Waiver

State renters are not to pay any fee for loss or collision damage waiver (CDW) because the Travel Card, when used as the form of payment, extends primary CDW on the condition that all other CDW coverage is declined.

Vendor Response Box, Section VI., B. Exclusion of Collision Damage Waiver

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

VII. Motor Pool Overflow Use

The State of Colorado Division of Central Services operates the State Motor Pool at 1555 Sherman -- Alley, Denver, Colorado, exclusively for State employees. The Motor Pool, at times, has more demand than it can meet. Approximately 2 - 10 times per month, the Motor Pool needs access to additional passenger vehicles, mini-vans, or maxi-vans. The State estimates, but cannot guarantee, an annual volume of approximately \$6000.00 as a result of Motor Pool Overflow Use.

The State seeks vendors that can meet this need from a proximate location or in a timely fashion. The State seeks to use its standard Motor Pool Request Form endorsed to the vendor as suitable requisition, and pay for the rental by means of a State authorized Travel Card, a central billing system provided by the State authorized Travel Card provider, or a central billing system provided by the automobile rental agency. The vendor may require the State renter to fill out all standard rental agreements. The Motor Pool will warrant that only State renters will access rental vehicles in this manner. All other conditions of this BOA apply to these transactions.

Vendor Response Box, Section VII. Motor Pool Overflow Use

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

Response: Yes, Budget understands the requirements in this section. The State can pay for Budget rentals by means of a State authorized Travel Card or a Budget Central Billing Account. Budget does not currently offer the capability of linking to a third party central billing system provided by a State authorized Travel Card provider. We are currently working on this capability.

- 2. Indicate the most proximate location(s) to the State Motor Pool to meet its overflow use needs, in what timeframe its needs can be met and the administrative process by which it will obtain automobiles for rental for this purpose.**

Response: The most proximate Budget location to the State Motor Pool is listed below. We prefer that you contact the location at least 24 hours in advance of rental. Reservation can be made by contacting the Budget location directly via phone and referencing the State BCD#. The rental can be paid for by means of a State authorized Travel Card or if the State would like to set up a direct Budget central billing account it must contact its Budget Sales Representative Kathleen Allen at 303-342-5536. Central billing accounts must be established prior to the rental.

Budget Rent A Car
1980 Broadway
Denver, CO 80202
Phone: 303-292-9341

VIII. Revenue Share

A. General

The Statewide Travel Management Program operates as a cash funded entity within State government and, as a result, must pay for its entire costs from revenues generated by its activity. To that end, the State requires a revenue share from its automobile rental suppliers. Vendors must provide a revenue share on a quarterly basis of four (4) percent of total base charges for each quarter. "Base charges" are defined as total charges less: refunds, any transaction related taxes, any other governmental fees and/or passenger facility charges.

Vendors must agree to rely on the State's vendor reports from its Travel Card supplier or their own reports of State contract rates (whichever is greater) to determine total revenue -- total sales less refunds. In the event of a substantial difference between the State's vendor reports from the Travel Card supplier as opposed to the vendor's own reports, the State and the vendor shall negotiate a mutually agreeable amount of total base charges for the quarter in dispute.

The State Travel Card is intended for official state travel only and not for personal use. The State of Colorado Governor's Executive Order D 005 03 "Concerning State Employee Travel" signed March 17, 2003 dictates that the State of Colorado travel card shall be used only for official state travel.

Revenue share payments are to be made quarterly with payment due sixty (60) calendar days after the end of the quarter.

Vendor Response Box, Section VIII., A. General

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

Response: Yes, Budget understands and complies with the requirements in this section.

B. No Productivity Levels Accepted

Because the Statewide Travel Management Program is cash funded, it will deem vendor offers with revenue shares keyed to or requiring productivity levels or targets or specific dollar amounts of State spending as ineligible for award.

Vendor Response Box, Section VIII. B. No Productivity Levels Accepted

- 1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

Response: Yes, Budget understands and complies with the requirements in this section.

IX. State Authorized Renters

A. Eligible Users

The State strongly prefers offers that extend State rates to all individuals on official government travel who are at least eighteen (18) years of age—specifically to all State of Colorado employees, to those individuals on official State business, and to employees of political subdivisions of the State that participate in the Statewide Travel Management Program. The State will find ineligible for award any offer that prohibits extending service, and the State's rates, to renters who are at least 21 years of age.

Vendor Response Box, Section IX., A. Eligible Users

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

2. Will your company extend rates to state authorized travelers on official business who are under 21 years of age? If so, what is the youngest age traveler to whom you will extend these rates under these terms and conditions?

Response: No. For State travelers renting on official State business and using the State's BCD #, the minimum Budget renting age is 21.

B. Identification of State Authorized Renters

State of Colorado renters may not always carry State identification nor even indicate that they work for the State of Colorado as opposed to one of its agencies or institutions of higher education. As a result, the State requires that the vendor identify State renters by way of the vendor's reservation system through the renter's name and the charging number on the renter's Travel Card alone. These cards do, however, carry the printed statement "The State of Colorado" and will include the State Seal in the upper right corner of the card.

Vendor Response Box, Section IX., B. Identification of State Authorized Renters

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Yes, Budget understands and complies with the requirements in this section

C. Premier Membership

Upon request, the automobile rental agency must grant, at no cost, any State of Colorado renter premier status in any corporate membership services or renter programs.

Vendor Response Box, Section IX., C. Premier Membership

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Yes, Budget understands and complies with the requirements in this section. Budget will provide any State renter Fast Break status at no cost.

D. Master Rental Agreement

The vendor must make available the Master Rental Agreement to every State of Colorado employee engaged in official government travel. Each Master Rental Agreement is subject to the provisions contained in "Section III. B. Vendor Terms and Conditions/Forms".

Vendor Response Box, Section IX., D. Master Rental Agreement

1. Affirm your understanding of, and compliance with, all of the requirements listed in this section.

Response: Yes, Budget will make available the Budget Master Rental Agreement to every State of Colorado employee engaged in official government travel.

E. Third Party Rentals

The State makes use of the US Bank VISA Event cards that are centrally billed to the State through a travel arranger or coordinator, but not in the possession of the traveler himself or herself. The State seeks assurance that its suppliers can reliably use such charge vehicles.

The vendor will accept the State of Colorado "Event Card" to be used on behalf of authorized third parties. The State of Colorado highly desires that this transaction be conducted telephonically or electronically without a State representative having to appear physically at the automobile rental agency.

Vendors are advised that the State is currently restricting the distribution of individual liability cards and encouraging increased usage of the Event Card (corporate liability). As a result, vendors who are able to conduct transactions telephonically or electronically can expect to increase their market share of State business.

If vendor-supplied forms or agreements will be required, include a sample of all such vendor-supplied forms or agreements. Any such vendor-supplied forms and/or agreements are subject to the provisions contained in "Section III. B. Vendor Terms and Conditions".

Insurance coverage for third party rentals shall comply with all minimum requirements described in "Section IV. Insurance Requirements".

Vendor Response Box, Section IX., E. Third Party Rentals

1. **Affirm your understanding of, and compliance with, all of the requirements listed in this section.**

Response: Yes, Budget understands all of the requirements listed in this section.

2. **Through your program, will State representatives be able to conduct these types of transactions telephonically or electronically without having to appear physically at the automobile rental agency? If so, please describe the administrative process involved.**

Response: Although, Budget does not currently have this capability, **it is in final testing and will be available by 1/1/04.** Once this is available, The State representatives will be able to conduct these types of transactions telephonically or electronically without having to appear physically at the Budget rental counter. The administrative process is as such: Once the State has obtained an Event Card, the State needs to contact its Budget Account Manager to obtain an Budget Global Electronic Billing Terms of Agreement (These forms are being designed and therefore they could not be supplied in this response. They will look similar to the Avis forms.), fill out form completely, submit to the Budget Account Manager, allowing 2 to 3 days for processing. The Budget Account Manager will return the Global Electronic Billing Secret number to the State. The State can therefore begin utilizing this account immediately.

3. Please provide two to three client references for which you are currently providing similar services. Include the client company name, phone number and name of an individual who is knowledgeable about this service.

Response: N/A

X. Cities of Greatest Automobile Rental Activity

A. Schedule of Items

As a part of this BOA, vendors will find an "Exhibit B. Schedule of Items" showing the adjusted number of actual rentals associated with each destination. The State seeks to award price agreements/BOAs with automobile rental vendors who are well established and provide a reasonable level of coverage. **For this reason, in order to be considered eligible for award, vendors must quote a rate for at least twenty-five (25) of the cities listed in Exhibit B.** Rentals for cities quoted must comply with all acceptable terms and conditions of this price agreement/BOA.

The usage is determined by a variety of sources and includes both air travel and automobile rental opportunities for each destination. The city destinations are followed by the adjusted number of trips taken in Calendar Year 2002. The number of rentals at each location is derived from both Diners Club reports and other vendor reports.

Vendor Response Box, Section X., A. Schedule of Items

1. Affirm that your company has completed the Schedule of Items and submitted it with your offer.

Response: Yes, Budget has completed and submitted the Schedule of Items.

B. Locations Not on Schedule of Items

Vendors may provide coverage at locations not listed on the Schedule of Items provided that such locations extend the same terms and conditions as those required in this BOA. Such locations and their respective rates shall be provided on "Exhibit C. - Locations not on Schedule Of Items". At all locations not listed on the Schedule of Items, State renters will use the price agreement/BOA when more cost effective and expeditious than alternate sources. For such locations, the State will accept corporate rates if fully disclosed with the original response to this BOA and upon reservation. Vendors may make alternate responses for more favorable rates at some or all of such locations. The same underlying terms and conditions of this response will apply to rentals at such locations.

Vendor Response Box, Section X., B. Locations Not On Schedule Of Items

1. Affirm that your company has submitted a roster of these locations with your offer along with the total of all such locations on "Exhibit C. - Locations not on Schedule Of Items".

Response: Please reference Tab 8 our Budget Worldwide Directory which lists all Budget locations throughout the world. Budget currently has over 2,700 locations worldwide, For more details please see Tab 7

C. Report Listing of All United States Locations

The vendor must supply the State with a current roster of all its automobile rental agency locations in the United States, including Colorado, along with a total of all such locations.

Vendor Response Box, Section X., C. Report Listing of All United States Locations

1. Affirm that your company has submitted a roster of these locations with your offer along with the total of all such locations. Indicate the title of the list or how it is identified/labeled in your offer.

Response: Please see Tab 8 for the Budget Worldwide Directory for all US Locations.

D. Report Listing of All Foreign Locations

The vendor must supply the State with a current roster of its entire automobile rental agency locations world wide other than the United States including a total of all such locations.

Vendor Response Box, Section X., D. Report Listing of All Foreign Locations

1. Affirm that your company has submitted a roster of these locations with your offer along with the total of all such locations. Indicate the title of the list or how it is identified/labeled in your offer.

Response: Please see Tab 8 for the Budget Worldwide Directory for a list of all International Locations.

XI. Reservations, Identification and Payment

A. Reservations

Automobile rental agencies will receive reservations either directly from the renter, by the renter's agency, through the vendor's Internet access, or through a travel agency. In any case, the reservation is to be held and payment made via the renter's State authorized, corporate Travel Card charge card.

Vendor Response Box, Section XI., A. Reservations

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

B. State Rules Effectively Mandate Travel Card

State Fiscal Rules and Statewide Travel Management Rules effectively mandate use of the State Travel Card as the method of payment for automobile rentals. Rules also restrict the type of vehicle rented to be the most economical available transportation for all official travel that will satisfactorily accomplish the State's business. The State is undertaking more robust compliance measures in calendar year 2003. In March 2003, the Governor of Colorado issued Executive Order D 005 03 that

requires the use of the State's Travel card payment system for all official travel including automobile rentals. The State Travel Management Program data shows high compliance with automobile rental contracts when the State's Travel card payment system is used.

C. Contract Compliance by Vendor

The State seeks a comprehensive solution to contract compliance by means of the vendor's reservation system. The State will not distribute nor encourage distribution of separate labels, stickers, or cards to renters as a means of identifying themselves. Rather, the State seeks vendor compliance through use of a data link to U.S. Bank (please refer to Section XII. P. of this BOA).

Vendor Response Box, Section XI., C. Contract Compliance by Vendor

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

D. Guarantee of Automobile Rental Rates/Acceptance of Travel Card

The vendor must accept the State authorized Travel Card as form of payment. The vendor must honor automobile rental rates established by the vendor through this BOA to the State's employees or its assignees when being paid by a State of Colorado authorized Travel Card.

State travelers are to utilize only the State Travel card for automobile rentals for official State travel. Use of any State agency payment mechanism other than the State Travel card is prohibited unless accompanied by an approved hard copy waiver by either the State Travel Management Program or the agency's Travel Compliance Designee. In the event that an approved waiver to use a different State agency payment mechanism is provided, the automobile rental agency must honor the rates of the price agreement/BOA.

Under no circumstances are State travelers allowed to use vendor provided payment mechanisms under this agreement such as, but not limited to, trip travel vouchers or vendor-administered centralized billing programs. In addition, under no circumstances are State travelers allowed to use their personal charge card for automobile rentals under this agreement – this is because the State has contracted with its State Travel card provider to charge its travel spending through the State Travel card. As well, the use of personal charge cards increases risk to the State, corrupts transaction data reports and decreases incentives available to the State.

The State may require price agreement/BOA rates for a renter denied a card or for a visitor or contractor acting on official government business. If the vendor so desires, the State agency will provide the renter with a letter that details the renter's eligibility for price agreement/BOA rates.

Vendor Response Box, Section XI., D. Guarantee of Automobile Rental Rates/Acceptance of Travel Card

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

E. Damages for Overcharging

If an automobile rental vendor charges more than the price agreement/BOA rate when the terms and conditions of this price agreement/BOA and any subsequent agreement apply, the vendor must, upon notice from the Statewide Travel Management Program or any State agency, refund the difference to the State agency or the individual renter as directed by the State.

In addition, the vendor agrees to pay a \$30.00 "administrative/recovery" fee to the Department of Personnel & Administration on a per rental basis for any overcharges.

Vendor Response Box, Section XI., E. Damages for Overcharging

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Budget understands the State's requirement and will work with the State to ensure that prompt refunds are paid in the event of overcharges. There are instances whereby Budget may be given misinformation and therefore an overcharge occurs. We will work with the State to make sure valid overcharges are corrected.

F. Travel Card Supplier Declines Charge

In the event the State authorized Travel Card provider declines a charge for a State traveler, the automobile rental agency must charge the price agreement/BOA rates, any other requirements of this BOA notwithstanding, provided the renter can verify his status as an employee or authorized traveler for the State of Colorado. Such persons must follow whatever payment requirements demanded by the vendor.

Vendor Response Box, Section XI., F. Travel Card Supplier Declines Charge

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

G. Toll Free Numbers

The automobile rental agency must provide toll free telephone access 7 days per week and 24 hours each day to its central reservation system for State renters to obtain vendor information and to make advance reservations. Operators at toll free numbers shall have current rates available to State of Colorado government renters, and when requested, shall verify that specific locations are participating according to the State of Colorado price agreement/BOA. The agent shall provide a confirmation number and local automobile rental location telephone number at the time of reservation.

Vendor Response Box, Section XI., G. Toll Free Numbers

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

XII. Automobile Rental Services, Vendor Qualifications, Classification of Vehicles

A. Automobile Rental Services

The State seeks price agreements in response to this BOA for discounted rates for automobile rental services within the United States and abroad. These rates are for daily, weekly, monthly and sixty (60) day rentals of passenger vehicles by State of Colorado travelers on official State of Colorado government business or the employees of the political subdivisions of the State of Colorado.

B. Vendor Qualifications

The State of Colorado seeks offer from automobile rental agencies that provide onsite or near-airport services at major airports in the United States and abroad. Automobile rental agencies need to be established national and/or international automobile rental firms with all required licenses, bonding, facilities, equipment vehicles and trained personnel necessary to perform the required services specified in this BOA.

The vendor shall have and include under the terms of any resulting price agreement/BOA, a network of corporate-owned or corporate-franchised automobile rental locations operating under either one corporate name or one national name along with one international name, and each location familiar with and abiding by the terms of the resulting price agreement from this BOA.

Vendor Response Box, Section XII., B. Vendor Qualifications

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section. Budget currently has 275 on airport locations in the US alone. For a complete list of Budget domestic and international locations, please see Tab **B** – Budget Worldwide Directory.

C. Classification of Vehicles

The State of Colorado allows for agencies to decide which size of vehicle is necessary to perform the State's business as appropriate to the business conducted. The State makes use of five (5) classes of passenger vehicles and three (3) specialty vehicles in conducting its business:

Examples of classes:

Economy* -- Ford Escort, Geo Metro, Toyota Tercel

Compact* -- Chevrolet Prizm, Mercury Tracer, Dodge Neon, Pontiac Lemans, Pontiac Sunbird, Plymouth Sundance, Toyota Corolla

Mid-Size* -- Chevrolet Corsica, Dodge Spirit, Ford Tempo, Pontiac Grand Am, Plymouth Acclaim

Full Size, Four Door* -- Chevrolet Lumina, Chrysler Concorde, Dodge Intrepid, Ford Taurus, Toyota Camry

Mini-Van* -- Plymouth Voyager, Dodge Caravan, Chevrolet Astro, Ford Windstar

Four Wheel Drive -- Ford Explorer, Jeep Cherokee, Chevrolet Trailblazer

Fifteen Passenger Van -- Dodge Maxi-Van, Ford Club Wagon, GM Sport Van

Pick Up Truck -- three quarter ton or lighter

The State seeks the availability of vehicles that are typically available to the general public. The State will find ineligible any offer that does not furnish and make available to State renters without restrictions the above vehicles marked with an asterisk and that are typically a part of the vendor's fleet. The vendor must provide a list of the makes and models currently available in its fleet inventory that will be provided under this contract in order to satisfy the vehicle classification requirements listed above.

These vehicles include the following classes: economy, compact, mid-size, full-size, mini-van. If the State, in its sole estimation, fails to obtain adequate service for any vehicle type from vendors with contracts, it may separately source out this type of rental vehicle service generally or by location. This provision extends particularly, but not exclusively, to four-wheel drive, pick-up trucks, and fifteen-passenger vans.

Vendor Response Box, Section XII., C. Classification of Vehicles

1. **Affirm that your company does furnish and make available to State renters without restrictions the above vehicles marked with an asterisk and that are typically a part of the your fleet.**

Response: Yes, Budget does and will make available to State renters the above vehicles marked with an asterisk without restrictions. Budget does not have 15 passenger vans in its fleet. Budget is passing the pickup truck out of its fleet.

2. **Affirm that your company has included with its offer a list of the makes and models currently available in its fleet inventory that will be provided under this contract in order to satisfy the vehicle classification requirements listed above. Indicate the title of this list or how it is identified/labeled in your offer.**

Response: Please see Tab 6 for the Budget Fleet Guide.

3. **Affirm your understanding of, and compliance with, all other terms, conditions and requirements of this section.**

Response: Yes, Budget understands and complies with the requirements in this section.

D. Vendor Must Offer Base Rates

Vendor must provide base rates on "Exhibit B. - Schedule of Items" and "Exhibit C. - Locations not on Schedule of Items". The "base rate" shall be defined as the total charge billed to any State authorized renter less any mandatory charges or airport-imposed concession fees. Mandatory charges shall be defined as any charges mandated by law and completely outside the vendor's control but required to be added to the transaction. Airport-imposed concession fees are those fees imposed by the airport on the automobile rental agency, which are beyond the automobile rental agency's control but required to be added to the transaction. Therefore, mandatory charges and airport-imposed concession fees at any given location would be the same for all vendors. The State reserves the right to seek information from the awarded vendor(s) concerning such mandated taxes, passenger facility charges or any other fees after award is made.

Vendor Response Box, Section XII., D. Vendor Must Offer Base Rates

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

E. Weekly Rates

The vendor must calculate weekly rates as 5 times the daily rate at each domestic location or any other formula that does not exceed 5 times the daily rate.

Vendor Response Box, Section XII., E. Weekly Rates

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

F. Monthly Rates

The vendor must calculate the monthly domestic rate not to exceed 4 times the weekly rate.

Vendor Response Box, Section XII., F. Monthly Rates

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

G. No Mileage or Extra Charges on One-Way Rentals between Colorado Locations

Provided the vendor has locations in, and has quoted rates for, Boulder, Colorado Springs, Denver, Fort Collins and Pueblo, the State requires that the vendor make one-way rentals available in either direction at no additional charge among these cities. The State encourages, but does not require, that the vendor make one-way rentals available in either direction at no additional charge at all of its other Colorado locations.

Vendor Response Box, Section XII., G. No Mileage or Extra Charges on One-Way Rentals between Colorado Locations

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

2. Will your company make one-way rentals available in either direction at no additional charge at all of your other Colorado locations?

Response: Yes, Budget will make one-way rentals available in either direction at no additional charge at all Budget Colorado locations.

H. Waiving of Drop Charges in the United States and One Way Rentals

1. Rentals within the United States

Vendors must agree to waive drop charges for one-way rentals within the 48 contiguous states of the United States. The State will include one-way mileage charges in its determination of fair and reasonable pricing – if one-way mileage charges are assessed, vendor must affirm this fact and provide the specific mileage charges. Upon the establishment of a price agreement/BOA, however, the State may choose to use retail arrangements of drop charges and no mileage charges if it should prove more advantageous in any particular transaction.

Vendor Response Box, Section XII., H., 1. Rentals within the United States

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

2. Does your company assess one-way mileage charges? If so, provide the specific mileage charges.

Response: Yes, Budget assesses one-way mileage charges outside the State of Colorado at \$.28/mile.

2. Rentals within the State of Colorado

Vendors must agree to waive drop charges for one-way rentals within the State of Colorado. Because no mileage or extra charges are permitted on one-way rentals between Boulder, Colorado Springs, Denver, Fort Collins and Pueblo, the State will include one-way mileage charges in its determination of fair and reasonable pricing for one-way rentals between all other cities in Colorado – if one-way mileage charges assessed for all other cities in Colorado, vendor must affirm this fact and list the specific mileage charges. Upon the establishment of a price agreement/BOA, however, the State may choose to use retail arrangements of drop charges and no mileage charges if it should prove more advantageous in any particular transaction. In the event the States opts to use such a retail arrangement, the vendor must include in the rate all insurance coverage requirements listed in this BOA.

Vendor Response Box, Section XII., H., 2. Rentals within the State of Colorado

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

2. Does your company assess one-way mileage charges for all other cities in Colorado? If so, list the specific mileage charges.

Response: No, Budget does not assess one-way mileage charges for any city within Colorado.

I. Access to Automobile Rental Locations

At airport locations with counters, vendor must have personnel on hand to meet all incoming flights during hours of airport operation. Off airport locations must provide periodic shuttle bus service or timely pick up such that the renter does not wait longer than twenty (20) minutes. Where permitted by airport authority, the automobile rental firm must provide courtesy telephones at baggage claim areas or airport exits for passengers to call upon arrival.

Vendor Response Box, Section XII., I. Access to Automobile Rental Locations

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

J. On-site Service

The State sees the geographical locations and the number of locations a vendor operates as a significant service to its renters. As a result, the State seeks information regarding on-site airport locations. Vendor must supply a list of the geographical locations, as well as the total number, of on-site airport locations.

Vendor Response Box, Section XII., J. On-site Service

1. Affirm that you have included with your offer a list of the geographical locations, as well as the total number, of on-site airport locations. Indicate the title of this list or how it is identified/labeled in your offer.

Response: Budget has 275 on-airport and about 700 off-airport locations in the US. Please see Tab 8 Budget Worldwide Directory for a complete list of Budget locations.

K. Pickup and Return

Pickup time shall not exceed fifteen (15) minutes from the time of call from an airport location. Any vehicle to be rented will be ready for dispatch and rental agreement essentially complete and ready to sign when renter arrives at location, such agreement reflecting applicable State of Colorado government rates. The vendor shall make every attempt to minimize the renter's time and confusion in the pickup and return of vehicles. For each rental, a rental agreement shall be signed by the renter solely to give evidence of the delivery of the vehicle, to provide the time and place of the return of the vehicle, to show the applicable rates, and to register the Travel Card charge. Area maps will be provided free of charge upon request. Upon return, a completed copy of the agreement form or a hand-held computer output referencing all charges billed is to be provided to the renter.

Vendor Response Box, Section XII., K. Pickup and Return

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

L. Vehicle Condition

Vendors must furnish freshly cleaned vehicles maintained in safe, satisfactory operating condition, no more than two (2) years old (from the time of purchase), and not having more than 40,000 miles on the odometer. The State encourages the availability of non-smoking vehicles at all locations. The automobile rental company or its licensees/franchisees must have title to or lease vehicles rented to the State.

Vendor Response Box, Section XII., L. Vehicle Condition

- 1. Affirm your understanding of, and compliance with, the requirements in this section.**

Response: Yes, Budget understands and complies with the requirements in this section.

- 2. Will your firm provide non-smoking vehicles at all locations?**

Response: Yes, Budget will provide non-smoking vehicles at all Budget locations.

M. Fuel

Vehicles will contain a full tank of gasoline at the time of pick up.

Vendor Response Box, Section XII., M. Fuel

- 1. Affirm your understanding of, and compliance with, the requirements in this section.**

Response: Yes, Budget understands and complies with the requirements in this section.

N. Overtime and Fuel Charges

The State prefers to pay hourly overtime at the minimum rate of 16% of the daily rental rate but will accept a maximum of one-third the daily rental rate. Fuel charges and documented renter paid fuel costs may be charged if based on actual or estimated fuel consumed rather than on a fixed fuel service charge. Vendor should indicate if it provides any alternative rates to these charges and, if so, what the rates are. The State will use this information to assist in its determination of fair and reasonable pricing.

Vendor Response Box, Section XII., N. Overtime and Fuel Charges

- 1. Indicate the hourly overtime rate your company will charge to the State.**

Response: Budget charges hourly overtime at one-third the daily rental rate.

- 2. Does your company provide any alternative rates to these charges and, if so, what are the rates?**

Response: No.

O. Taxes

Where sales taxes apply, the renter will also pay any state and local tax levied on the rental. The State government will reimburse the renter for the cost of the rental vehicle and any taxes. If the State uses a payment vehicle that is centrally billed, the State will also seek exemption, as available, from any State or local taxes. Vendor should describe its ability to provide this exemption.

Vendors are advised that the Travel Compliance Designee at each state agency is charged with educating its travelers about the State's tax exemption policy. It is anticipated that such educational efforts will result in an increased level of knowledge on the State traveler's part regarding State tax exemption.

Vendor Response Box, Section XII., O. Taxes

1. **Affirm your understanding of, and compliance with, the requirements in this section. Specifically, describe the ability of your company to provide the exemption indicated in the first paragraph above.**

Response: Yes, Budget understands and complies with the requirements in this section.

P. U.S. Bank Link

The vendor must provide to the State, on a quarterly basis, a U.S. Bank link or its equivalent. The vendor must include with their offer a report that describes in detail the current or future capacity to take advantage of a U.S. Bank link -- that is, the State of Colorado Travel Card member list made available on magnetic media for incorporation into the automobile rental agency's computer reservation system. The description must include the extent to which the vendor's reservation system can create a profile for each State renter such that with the presentation of the Travel Card, the reservation system automatically creates a profile detailing all rates and terms applicable at all of the vendor's automobile rental locations.

If the vendor cannot provide a U.S. Bank link at the time of "BOA Response Solicitation Deadline", the vendor must provide a detailed description of how and when it will furnish this service. The State recognizes that the automobile rental agency may assign to the renter an identification number, but it does not encourage separate cards, stickers or other account regalia as a means of implementing, fostering, or enforcing this contract. The State sees the U.S. Bank link as an effective means of obtaining vendor contract compliance.

The State will further enhance vendor and contract compliance by encouraging its travelers to enroll in Master Rental Agreements.

Vendor Response Box, Section XII., P. U.S. Bank Link

1. **Does your company have current capacity to take advantage of a U.S. Bank link as described above (Yes, No)?**

Response: Budget does not have the capacity to link with U.S. Bank at this time.

2. **If so, describe how this capacity fulfills all of the State's requirements as described in the first paragraph above.**

Response: N/A

3. If not, provide a detailed description of how and when your company will furnish this service so that it meets all of the State's requirements.

Response: Currently, Budget does not have a date when this capability will be available.

Q. Franchise/Local Outlet Contract Compliance Guarantee

The vendor must guarantee that franchisees/local outlets will comply with the terms of the State of Colorado automobile rental price agreement/BOA terms and conditions in those Schedule of Items locations for which rates are offered.

Vendors are instructed ***not to quote a rate*** for any location(s) listed in "Exhibit B. - Schedule of Items" that do not comply with all terms and conditions of this BOA. **Please note:** The State, at its sole option, will terminate business with any franchise/local outlet that fails to comply with all the terms of a resulting price agreement/BOA in more than one rental transaction.

Vendors must include in all Schedule of Item locations the vendors' liability insurance in at least the minimum amount of \$600,000 combined single limit on an occurrence basis with coverage to the 48 contiguous states, Alaska, Hawaii, and the District of Columbia.

Vendors are required to include a list of all locations that do not comply with this requirement – the State will use this list to direct its agencies not to use such franchises and local outlets. The State anticipates that this information will serve to reduce customer service problems for the automobile rental provider as well as to the State Travel Manager, or designee.

Failure to disclose any locations, which do not comply with this requirement, will result in the automobile rental provider being solely liable for any damages resulting from rentals at such undisclosed locations.

Vendor Response Box, Section XII., Q. Franchise/Local Outlet Contract Compliance Guarantee

1. Affirm your understanding of, and compliance with, the requirements in this section.

Response: Yes, Budget understands and complies with the requirements in this section.

2. Affirm that you have included a list with your offer of all locations that do not comply with these requirements. Indicate the name or title of the list.

Response: Yes, Budget has included a list with our offer of all locations that do not comply with these requirements. Budget has indicated on Exhibit B – Schedule of Items all Budget locations that comply with the State BOA requirements. Because there are too many locations to list on Exhibit C, we have instead provided the State with our Budget Worldwide Directory.

R. Fees for Frequent Flyer Miles

The State of Colorado will not allow the charging of fees for State travelers to obtain frequent flyer miles.

Vendor Response Box, Section XII., R. Fees for Frequent Flyer Miles

- 1. Affirm your understanding of, and compliance with, the requirements in this section.**

Response: Yes, Budget understands and complies with the requirements in this section. Budget does not charge for frequent flyer miles.

XIII. Exhibits

Exhibit A - Certification of Independent Price Determination

Your company needs to read and sign this document and submit it along with your offer. The signature needs to be from an individual within your firm with legal authority to bind your company to its offer.

Exhibit B - Schedule of Items

Your company needs to provide rates for all locations that you are offering under this BOA. The signature box at the bottom of this Exhibit needs to be complete by an individual within your firm with legal authority to bind your company to its offer.

Exhibit C - Locations not on Schedule of Items

Your company needs to provide rates for all locations that you are offering under this BOA, but that are not identified in Exhibit B. The signature box at the bottom of this Exhibit needs to be complete by an individual within your firm with legal authority to bind your company to its offer.

Exhibit D - Price Agreement Solicitation Terms and Conditions

This is the standard set of terms and conditions that apply for all statewide price agreements.

Vendor Response Box, Exhibit D - Price Agreement Solicitation Terms and Conditions

- 1. Affirm your understanding of, and compliance with, the requirements in this section.**

Response: Yes, Budget understands and complies with the requirements in this section.